

APW

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1. JIAP NEWS

ANOTHER 2003 CATCH UP ISSUE. GREAT LINKS!

Contents: COVER STORIES, JAPAN: Japan-Banking, Japan Business, Japan-Economy, Japan-Foreign Policy, Japan-Politics, Japan-Security, Japan-Society & Culture **JAPAN RELEVANT:** Australia, China-Economy, China-Foreign Policy, China-Politics, China-Trade, Energy, Environment, Foreign Policy, Global Economy, Indonesia, Intellectual Property, Intelligence, Iran Issues, Iraq Issues, Leadership, North Korea, Security, Science & Technology, South Asia, Southeast Asia, Taiwan, Trade, US Economy.

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About JIAP

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Established in 1991, the JIAP is a trusted member of the U.S. policy community interested in Japan and Asia. The Project specializes in introducing to Washington the best "outside-the-Beltway" scholarly research and analysis on critical Asia policy issues. The goal is to strengthen international understanding of Japanese and Northeast Asian science, technology, economic and security policy. Through a range of programs and publications, the Project educates its members, policymakers, and the public to use knowledge of Japan and Asia to increase national strategic competitiveness and security.

****All phone numbers are (202) unless otherwise indicated****

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2) MEMBER NEWS

“China’s Intellectual Renaissance,” **Ezra Vogel** (former director, Harvard’s Fairbank Center for East Asian Research, currently university’s Henry Ford II research professor), Op-ed, WP12/5/03, A31. “There are conservative backwaters, and there are narrow-minded Chinese officials trying to control the flow of heterodox ideas. But they are fighting a losing battle ... In the long run, this intellectual ferment is likely to overpower all the frightened officials at home and abroad who preach narrow doctrines and seek to set up artificial constraints.”

1/16 - In a ceremony presided over by Ambassador Shotaro Oshima, Chair of the Dispute Settlement Body, Professor **Merit Janow** of the United States was sworn in as a **Member of the Appellate Body at the WTO**. She is currently a member of the faculty at Columbia Law School and the Columbia School of International and Public Affairs. http://www.wto.org/english/news_e/news03_e/ab_member_16dec03_e.htm

“Nonliberal Capitalism in the Information Age: Japan and the Politics of Telecommunications Reform,” by **Mark Tilton**, Purdue U (JPRI Working Paper No. 98, February 2004). “Japan’s cautious approach to competition in telecommunications means that NTT is in better financial shape than many of the world’s telecommunications firms, and NTT’s deep pockets have funded considerable innovation, most notably in mobile services and the creation of a fiber optic network. But the cautious high-price approach may mean that Japan misses out on other new technologies that lower overall telecommunications prices could make possible.”
<http://www.jpri.org/publications/workingpapers/wp98.html>

National Security Council Asia chief Jim Moriarty will be succeeded by his deputy, Dr. **Mike Green** in January.

3) CRITICAL REPORTS

“Text: U.S. to Host 5th Meeting on Proliferation Security Initiative (Initiative designed to curb WMD proliferation),” US State Dept, 12/2/03. John Bolton, under secretary of state for arms control and international security, discussed the proliferation initiative and the planned meeting, along with related nonproliferation issues December 2 at the opening of a conference in Washington on security issues jointly sponsored by the Institute for Foreign Policy Analysis and the Fletcher School of Tufts University. “With regard to North Korea, President Bush’s objective is quite clear: the United States seeks the complete, verifiable, and irreversible dismantlement of North Korea’s nuclear programs. We seek to bring this about, as we have said repeatedly, through diplomatic dialogue in a multilateral framework involving those states with the most direct stakes in the outcome. Other states may yet be involved as appropriate. The North Korean nuclear program is not a bilateral issue between the United States and the DPRK. It is a profound challenge to regional stability, and to the global nuclear nonproliferation regime.”
<http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0312a&L=WF-EASIA&P=R3922>

“Bush Rescinds Tariffs on Steel; Trade War Averted; Industry Angry,” WP12/5/03, A1. “I took action to give the industry a chance to adjust to the surge in foreign imports and to give relief to the workers and communities that depend on steel for their jobs and livelihoods,” Bush said. “These safeguard measures have now achieved their purpose, and as a result of changed economic circumstances it is time to lift them.”

President’s Statement on Steel: <http://www.whitehouse.gov/news/releases/2003/12/20031204-5.html>

Steel Proclamation: <http://www.whitehouse.gov/news/releases/2003/12/20031204-7.html>

United Steelworkers of America: <http://www.uswa.org/uswa/program/content/index.php>

Independent Steelworkers Union: http://www.standupforsteel.com/isu_homepage.htm

“U.S. Wins WTO Appeal on Japan’s Restrictions on U.S. Apples,” USTR Press Release 12/1/03.

<http://www.ustr.gov/releases/2003/12/03-80.pdf>

WTO Appellate Report, “Japan-Measures Affecting the Importation of Apples,”

AB-2003-4, 11/26/04. http://www.wto.org/english/tratop_e/dispu_e/245_abr_e.doc

“Bank Sector Curbs Japan Growth, Says OECD,” FT12/3/03, p6. “The OECD said in its annual Japan report that the country’s growth potential was still limited by uncompetitive business conditions and a public deficit as well as a weak banking system.”

OECD Economic Survey – Japan 2003:

http://www.oecd.org/document/14/0,2340,en_2649_201185_20639950_70531_119663_1_1,00.html

4) OPINION, REPORTS & STATEMENTS

COVER STORIES

NATIONAL JOURNAL – “Special Report-Guide to the Web” 12/6/03.

<http://nationaljournal.com/members/news/2003/12/1205nj1.htm>

ECONOMIST – “Good news for the world economy: The decline of the dollar has been too stately to be called a collapse, but its depreciation against the euro now stands at more than 30%. If governments adjust their policies wisely—a big if, admittedly—the fall is good news for the world economy” 12/6/03.

<http://www.economist.com/printedition/index.cfm?d=20031206>

FAR EASTERN ECONOMIC REVIEW – “CASINOS: Betting on The Border On Cambodia's frontier, the Poipet casino enclave has taken just four years to become a major gambling centre. But it could all vanish as quickly as it appeared.” 12/4/03.

JAPAN

JAPAN-BANKING

“Japan to Nationalize Big Failing Bank,” WP11/30/03, A18. “Ashikaga Bank, a regional lender ... the debt of which exceeded assets by \$934 million at the end of September. The Nihon Keizai newspaper reported earlier that the government would add \$9 billion. ‘I think markets will react to this incident calmly because all deposits will be protected,’ Prime Minister Junichiro Koizumi said.”

Press Statement: <http://www.boj.or.jp/en/press/03/dan0311a.htm>

Statement by Prime Minister Juicier Koizumi

<http://www.fsa.go.jp/news/newse/e20031129-1a.html>

BOJ Governor Fukui's statement

http://www.boj.or.jp/en/press/03/dan0311a_f.htm

Financial Services Agency (FSA): establishment of the "Monitoring Team of the Management of the Ashikaga Bank

<http://www.fsa.go.jp/news/newse/e20031129-1.html>

“Ashikaga Nationalisation Plan Met With Calm,” FT12/2/03, p20. “Shares on the Tokyo Stock Exchange rose 3 per cent yesterday, as investors took comfort from the government’s decision to avert financial instability by taking control of the insolvent [bank] ... Shares in Ashikaga plunged 37 per cent.”

JAPAN-ECONOMY

“U.S. Sees Reason to be Optimistic on Japan Growth; Treasury Official Attributes Shift to Market Changes, Expansion of Money Supply,” WSJ12/5/03, A11. “Treasury Department’s top international official, John Taylor, [credits] the Koizumi government’s market changes and the Bank of Japan’s accommodating monetary policy for giving impetus to the country’s laggard economy.”

“Will Economic Recovery in Japan be Sustained?” Speech: <http://www.treas.gov/press/releases/js1041.htm>

Text: Brighter Economic Future in Store for Japan, Taylor Says (Treasury Under Secretary's Dec. 5 remarks to Japan Society), <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0312a&L=WF-EASIA&P=R12862>

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JAPAN-FOREIGN POLICY

11/29 - two Japanese diplomats and their Iraqi driver killed by automatic weapons fire in an ambush of their SUV on a main road near Tikrit, Iraq.

Posthumous Honors Conferred upon the Foreign Ministry Officials and Local Staff Member of the Japanese Embassy in Iraq, <http://www.mofa.go.jp/announce/announce/2003/12/1205.html>

Murder of Japanese Diplomats in Iraq, http://www.mofa.go.jp/region/middle_e/iraq/issue2003/031205.html

“Japan notifies its decision to the WTO to adopt punitive tariffs in retaliation for U.S. steel safeguard; Concern about projecting a trouble-making image; Consideration also given to "ally;" Whether retaliatory tariffs will be imposed is not clear,” MAINICHI 11/27/03, p11, US Embassy Translation 12/1/03.

Japan's Priority Proposals for Regulatory Reform in EU [PDF] MOFA
> <http://www.mofa.go.jp/region/europe/eu/overview/dereg0311.pdf>

JAPAN-POLITICS

“Confusion over Iraq—Deaths of Japan diplomats (Part 1): Gov't remains unaccountable for its policy of leaning toward U.S.,” ASAHI 12/1/04, p1, US Embassy Translation 12/2/03.

“Prime Minister to adopt aggressive approach to agricultural reform; Plans to put on show of standoff over personnel, budgetary affairs,” NIHON KEIZAI 11/29/03, p2, US Embassy Translation 12/3/03.

JAPAN-SECURITY

11/29 - Japanese Satellite Launch Goes Awry, Japanese officials destroyed a rocket carrying two surveillance satellites Saturday after one of the rocket's boosters malfunctioned on takeoff,
http://www.nti.org/d_newswire/issues/2003_12_1.html#E719DE06

“7 years after SACO final report: Little progress seen in Okinawa base reversion,” ASAHI 12/3/03, p4, US Embassy Translation 12/5/03.

JAPAN-SOCIETY & CULTURE

“Beyond the Rhetoric: Essential Questions About Japanese Education,” by Lucien Ellington (Asia Program at the University of Tennessee at Chattanooga), Foreign Policy Research Inst, December 2003, Vol. 8, No. 7.
<http://www.fpri.org/footnotes/087.200312.ellington.japaneseeducation.html>

JAPAN-RELEVANT

AUSTRALIA

“Australia to Participate in U.S. Missile Shield,” WP12/4/03, A30. “We believe that taking part in the U.S. program will serve our strategic interest, help us defend Australia and allow us to make an important contribution to global and regional security,” Foreign Minister Alexander Downer said.”

Press Statement: http://www.foreignminister.gov.au/releases/2003/fa151_03.html

“Australia’s Central Bank Raises Rates,” FT12/4/03, p6. “Economists said both [the Reserve Bank of Australia and the Bank of England] were reacting largely to strong growth in house prices and consumer debt, which have accelerated at record levels.”

Reserve Bank of Australia: <http://www.rba.gov.au/>

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Statement by the Governor Ian Macfarlane: http://www.rba.gov.au/MediaReleases/2003/mr_03_17.html

CHINA-ECONOMY

“China Plans New Spending but is Wary of Deficits, Overheated Economy,” WSJ12/1/03, A13. “To ensure at least 7% economic growth in 2004 ... [China has] signed off on the issuance of 110 billion yuan (\$13.29 billion) in ‘special treasury bonds’ next year ... Represents a 30 billion-yuan cutback from this year’s total.”

“China to Overhaul Bank System, Let Foreign Role Grow,” WSJ12/2/03, A16. “Measures include raising the ceiling on foreign ownership in Chinese financial institutions to 20% for a single investor from the existing 15%, expanding the number of cities where foreign branches can do some local-currency business and easing capital requirements for branches.”

China Banking Regulatory Commission Press Release: <http://www.cbrc.gov.cn/english/yaowen/detail.asp?id=18>

“China Accused of Neglecting Stock Market Reform,” FT12/1/03, p4. “The [securities] industry ‘s weakness was underlined by the news on [11/28] that China’s brokerages had made a net loss of Rmb3.4bn (\$410m) in the year to September, compared with Rmb3.7bn for the whole of 2002...”

China Securities Regulatory Commission: http://www.csrc.gov.cn/en/homepage/index_en.jsp

“Chinese Economy: When Less Is More,” Stratfor 12/2/03. “Chinese economic planners who convened for a weekend powwow reportedly have laid out a plan to alter China’s economic course -- or more precisely, to alter the pace at which it follows that course. Worried about potential fiscal and economic excesses, Beijing is looking to dampen public borrowing and infrastructure investment, while still generating sufficient funds to keep a lid on potential domestic unrest. This shift will generate both opportunities and threats for investors in China.”

<http://www.stratfor.biz/Story.neo?storyId=225344>

CHINA-FOREIGN POLICY

“Wen in Mission to Ease Trade Friction,” FT12/6-7/03, p2. “For weeks, Chinese officials have been preparing arguments with which Mr. Wen can defuse trade tensions. First there was Beijing’s recent shopping spree for Boeing aircraft ... Then there were gestures on market access ... Mr. Wen is also expected to make much of that fact that China is America’s fastest-growing export market, with US companies selling around \$20bn to China this year, up about 20 per cent on last year.”

Secretary of State Colin Powell’s Remarks at Dinner Honoring Chinese Premier Wen Jiabao, December 8, 2003: <http://www.state.gov/secretary/rm/2003/26973.htm>

President Bush Welcomes Premier of China to the White House, December 9, 2003:

<http://www.whitehouse.gov/news/releases/2003/12/20031209-1.html>

President Bush and Premier Wen Jiabao Remarks to the Press:

<http://www.whitehouse.gov/news/releases/2003/12/20031209-2.html>

Background Briefing on President’s Meeting with Chinese Premier Wen:

<http://www.whitehouse.gov/news/releases/2003/12/20031209-13.html>

“China to Help Create Classes for U.S. Schools,” WP12/6/03, A3. “a nearly \$1.4 million Advanced Placement program in Chinese language and culture for U.S. high schools. The course and test are the second [first was Italy], and most expensive, [AP] program to be financed by a foreign government.”

College Board Press Release: <http://www.collegeboard.com/press/article/0,3183,30831,00.html>

“China’s Chance to Strike a Bargain,” Hugo Restall (editorial page editor, Asian Wall Street Journal), Op-ed, WSJ12/1/03, A15. “Mr. Wen’s visit comes during a window of opportunity in which Beijing can make a virtue out of necessity and extract some concessions from Washington in return for clinching a North Korea deal.”

“A New Special Relationship: China and the US Need Each Other More Than They Admit,” Editorial, FT12/5/03, p12. “Mr. Bush should seize the chance provided by the US economic recovery to abandon his (transparently electoral) policy of petty protectionism ... China should recognize that its growing economic power

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confers responsibilities as well as rights, and move faster towards abandoning the renminbi-dollar peg – a task made more urgent by the continuing fall of the dollar.”

CHINA-POLITICS

“China Releases 3 Internet Writers, But Convicts 1 Other,” WP12/1/03, A14. “Liu Din ... known online by the pen name ‘Stainless Steel Mouse,’ and [two others released] ... Jiang Lijun [convicted] of subversion ... The releases come days before German Chancellor Gerhard Schroeder is scheduled to visit China and little more than a week before Premier Wen Jiabao’s first state trip to the United States.”

“China Frees 3 ‘Cyber Dissidents’ (as a Diplomatic Visit Nears),” NYT12/1/03, A3. “The Hong-Kong based Information Center for Human Rights and Democracy reported that Ms. Liu [Di, the ‘Stainless Steel Mouse,'] was bailed out of a Beijing prison on Friday, a move tantamount to release. The Information Center suggested that the decision was made at the highest levels of government, with personal intervention by President Hu Jintao.”
[Link to Information Center for Human Rights and Democracy removed.]

“China’s Internet Democrats,” Editorial, WSJ12/1/03, A14. “As history has shown, from such small beginnings can arise a movement that changes an entire society. That is why the authorities in Beijing are so afraid of a stainless steel mouse [Internet dissident Liu Di], and why China’s cyber democrats deserve American support.”

“China’s Secrecy Syndrome,” Robert L. Bernstein (Founding Chairman, Human Rights Watch), Op-ed, WP12/2/03, A27. “With China in the WTO and wanting to look good for the Olympics, it is time for news organizations to push the envelope ... [China] must not be allowed to cow the free press of the world into not covering stories that need to be covered.”

CHINA-TRADE

“China Blamed for US Textile Industry’s Woes,” FT12/6-7/03, p2. “According to the American Textile Manufacturers Institute, if China captured 75 per cent of the US textile and apparel market, 630,000 jobs – almost all of them within the industry – would be lost, and 1,300 plants would close.”

American Textile Manufacturers Institute (ATMI): <http://www.atmi.org>
ATMI Report, “China’s Impact on the U.S. Textile Manufacturing Base,” January 30, 2004:
<http://www.atmi.org/Newsroom/sm0104.pdf>

“China Should Soon Move On to a More Flexible Currency,” Martin Wolf, Op-ed, FT12/3/03, p13. “Managing the transition of the renminbi to its prospective role as a world currency is a huge challenge. Large changes in policy cannot be expected right now. But the Chinese authorities should be liberalizing imports and capital outflow aggressively while moving, in the reasonably near future, to a more flexible exchange rate.”

“China is Right to Be Cautious on Farm Trade,” Kevin Watkins (Oxfam, Head of Research), Op-ed, FT12/5/03, p13. “Rapid liberalization in agriculture would pose a grave threat to small farmers. Those in the impoverished north China corn-belt and in wheat-producing areas of the north-east stand to be pushed out of their markets in southern China by cheap, heavily subsidized imports. After two decades of fast growth, urbanization, and unprecedented rates of poverty reduction, it is sometimes forgotten that agriculture and rural poverty remain pervasive features of the Chinese landscape.”

ENERGY

“Asian Oil Market Outlook: Role of the Key Players,” by Jeffrey Brown and Kang Wu, AsiaPacific Issues, No. 70, East West Center, October 2003, 11pgs. “The Asia Pacific region’s dynamic oil market is marked by strong growth in consumption, declining regional oil production, and over capacity in its highly competitive oil-refining sector. Its “key players” are China, India, Indonesia, Japan, and South Korea—a group that includes the region’s five top consumers and three of its major producers—and developments in these countries will have commercial and strategic implications for the whole region. On the consumption side, Japan’s slow growth in demand has failed to

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dampen regional growth, which is now driven by China and India's fast growing thirst for oil. On the supply side, Indonesia's inevitable transition to a net oil importer highlights the trend toward growing dependence on Middle East oil, which already comprises 42-90 percent of imports among the key players. In response to this trend, China, Japan, and South Korea are pushing to acquire overseas oil reserves, with Japan and China already locked in a fierce competition for projected Russian supplies—a type of struggle that will likely become more commonplace.”

http://www.eastwestcenter.org/res-rp-publicationdetails.asp?pub_ID=1427

“Power Cuts Dim Prospects for China’s Economic Boom,” FT12/4/03, p16. “China’s electricity shortages, because of suppliers’ inability to keep pace with the astonishing growth in industrial demand, are starting to have a palpable effect on everyday life. Now there are suggestions the shortages may constrain economic growth too. And the State Power Information Network, a government organization, forecasts worse power shortages and more power rationing next year.”

State Power Information Center: <http://www.sp-china.com/> (C, E)

“Yukos Probe ‘Will Reduce Russian Output and Help OPEC Tighten Grip on Market’,” FT12/5/03, p4.

“Analysts said the company’s recent troubles with investigators and the \$5bn tax penalty the finance ministry had threatened might leave less money for its exploration and production budget. The arrest of its former chief executive officer, Mikhail Khodorkovsky, and a possible management shake-up could also mean a less ambitious leadership at the company.”

Yukos: <http://www.yukos.com/>

ENVIRONMENT

“Global Warming Glasnost,” Editorial, WSJ12/4/03, A16. “President Bush could kill two shibboleths with one stone were he to pick up the phone and tell Vladimir Putin what an asset the Russian President has in Andrei Illarionov [said his nation was ‘sending Kyoto the way of the czars’]. It could encourage Russia to finally ditch the Kyoto Protocol, as well as serve as the start of a much smarter global warming policy in the U.S.”

World Climate Change Conference, Moscow: <http://unfccc.int/sessions/othermt/moscow03/>

“Only New Technology Can Halt Climate Change,” Paula Dobriansky (US Undersecretary of State for Global Affairs), Op-ed, FT12/1/03, p15. “There are only two paths towards achieving the big reductions in greenhouse gas emissions. One is to use existing technologies, at the expense of economic growth. The other is to use breakthrough technologies that transform how we produce and consume energy and allow us to reduce emissions, while continuing to grow and to improve the world’s living standards. The second course is the only acceptable, cost-effective option. It underpins the US’s climate change policy.”

Kyoto Protocol, Full Text: <http://unfccc.int/resource/docs/convkp/kpeng.html>

State Department Fact Sheet, International Partnership for a Hydrogen Economy:
<http://www.state.gov/g/oes/rls/fs/2003/25983.htm>

“Russia Seeks to Allay Fears Over Ratification of Kyoto,” FT12/4/03, p6. “Muhamed Tsikhanov, deputy economy minister ... told a news briefing: ‘There are no decisions about ratification apart from the fact that we are moving towards ratification.’”

“Rethinking Kyoto,” Editorial, WP12/5/03, A30. “No one at this point will believe any American statements about climate change unless they come from the very top, and even then it will be difficult ... The president should say [‘that he really does care about lowering carbon emissions’] and seize this opportunity to rejoin the international debate.”

FOREIGN POLICY

“Bush’s PR Problem,” Fareed Zakaria (Editor, Newsweek International), Op-ed, WP12/2/03, A27. “What is most dismaying ... is that for the past 50 years the United States has skillfully merged its own agenda with the agendas of others, creating a sense of shared interests and values ... We have fallen far from that model if the head of the

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Chinese Communist Party is seen as presenting the world with a more progressive agenda than the president of the world's leading democracy.”

GLOBAL ECONOMY

“OPEC Seeks High Oil Prices to Offset Weak Dollar; Cartel May Abandon Price Cap to Take Advantage of Strong Demand by U.S.,” WSJ12/4/03, A1. Remarks by Saudi oil minister Ali Naimi “a sign the cartel is considering ending its system of price targets.”

Ministry of Petroleum and Mineral Resources, Saudi Arabia: <http://www.mopm.gov.sa/index.htm>

Organization of Petroleum Exporting Countries (OPEC): <http://www.opec.org/>

128th (Extraordinary) Meeting of the OPEC Conference Press Release:

http://www.opec.org/NewsInfo/PressReleases/pr2003/pr16_2003.htm

“‘Cultural Change’ Helps Uncover Fraud,” FT12/1/03, p3. “Three-quarters of US companies and government agencies have uncovered fraud in the last year, compared with only 62 per cent five years ago ... but companies have become more intent on uncovering fraud, with much stiffer fraud detection controls, hotlines, training and anti-fraud programmes...”

KPMG “Fraud Survey 2003”: http://www.kpmg.com/Rut2000_prod/Documents/9/FINALFraudSur.pdf

INTELLECTUAL PROPERTY

“Report on Trilateral Users Meeting,” by Masahiko Matsunaka, Senior Researcher, Institute of Intellectual Property, IIST MAIL MAGAZINE [METI], No.0053 1/December/2003. Commissioners and senior staff from Japanese, US and European patent offices were invited to participate in the Trilateral-Users Meeting in order to deepen understanding between these offices and Japanese users and explore patent acquisition and utilization in the three regions. See: http://www.iist.or.jp/wf/magazine/0218/0218_E.html

INTELLIGENCE

“The Agent’s Tale: From Hoo-Ha to Ho-Hum: What Happened to the Scandal of the Alleged White House Leak of a CIA Agent’s Name?” FT12/5/03, p2. “Since the brief brouhaha in late September, [the scandal] has gone surprisingly quiet. While allowing the official investigation into the leak to progress, the White House has done an extraordinarily effective job of suffocating the story.” Photo from *Vanity Fair* article

“CIA Agent Valerie Plame Goes Undercover In Vanity Fair,” By Howard Kurtz, WP12/3/03. C01. “The January issue features a two-page photo of Wilson and the woman the magazine calls “the most famous female spy in America,” a “slim 40-year-old with white-blond hair and a big, bright smile.” They are sitting in their Jaguar.”

<http://www.washingtonpost.com/ac2/wp-dyn/A29782-2003Dec2?language=printer>

IRAQ ISSUES

“US Asks Nato to Consider Wider Iraq Role,” FT12/5/03, p5. “[Secretary of State Colin] Powell told his 18 Nato counterparts ... that Nato could play a role beyond its present support for the Polish-Spanish led multinational division based in south-central Iraq.”

State Department Press Briefing After NATO Working Luncheon, Dec. 4, 2003:

<http://www.state.gov/secretary/rm/2003/26886.htm>

IRAN ISSUES

“America’s Neo-Conservative Lobbyists Tune in for Regime Change in Iran,” FT12/6-7/03, p4. “The teaming-up of the well-funded American Enterprise Institute (AEI) with Los Angeles-based Radio Sedaye Iran (Voice of Iran) marks a new step in the efforts of the US right to influence regime change in the Islamic republic.”

Radio Sedaye: <http://www.krsi.net/us-en/>

American Enterprise Institute: <http://www.aei.org>

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AEI Press Release: “‘Town Hall’ Highlights Democratic Longing in Iran”:

http://www.aei.org/news/newsID.19642/news_detail.asp

LEADERSHIP

“Perle Article Didn’t Disclose Boeing Tie; Pentagon Adviser Lauded Plan to Lease Air Tankers,” WP12/5/03, E1. “It takes a special government green-eyeshade mentality to miss the urgency of the tanker requirement,’ Perle and a coauthor wrote in the Aug. 14 article in the Wall Street Journal. The piece did not mention Boeing by name or Perle’s firm – Trireme Partners – and its business relationship with the giant defense contractor.”

Boeing Company: <http://www.boeing.com/flash.html>

Hollinger International Incorporated: <http://www.hollinger.com>

NORTH KOREA

“Run-Up to Talks on N. Korea Falters,” WP12/2/03, A24. “Planned mid-December meeting [delayed] until sometime next year ... Little progress has been made in writing a statement that would meet the approval of all sides, forcing [the] likely delay...”

“No Questions? Good. Now Enjoy Your Stay,” WP12/2/03, C4. “In the surreal world of North Korean tourism, you can feast on local delicacies served by glamorous lady comrades, watch an acrobatics show infused with Stalinist humor and climb a storied mountain covered with plaques and monuments celebrating the totalitarian Kim clan.”

“Cuts in Food Aid ‘Threaten North Korea Reform Drive’,” FT12/4/03, p7. “Masood Hyder, a leading humanitarian co-ordinator in North Korea, said there were signs of change in the world’s most totalitarian state, but warned the process needed support from the international community. He estimated that 1m people had been left short of food as a result of North Korea’s shift towards a market economy and said reforms might be reversed if aid was not provided.”

United Nations World Food Programme: <http://www.wfp.org/>

“Senators Introduce Measure To Support Fleeing North Koreans,” Agence France Press, 1/25/03. “Lawmakers in the US Senate on Tuesday introduced legislation that would set ground rules for US officials making contact with the government of North Korea, while also providing assistance to refugees fleeing the totalitarian regime. The North Korea Freedom Act of 2003, introduced “signals that the United States is committed to a long-term solution to the problems on the Korean peninsula,” Senator Sam Brownback said in a statement.”

<http://www.reliefweb.int/w/rwb.nsf/0/38b0a68f44068b3dc1256dea0046c8b5?OpenDocument>

S.1903, 11/20/03 - <http://thomas.loc.gov/cgi-bin/query/D?c108:1:/temp/~c108rNkMin>, 11/20/2003 Referred to Senate committee. Status: Read twice and referred to the Committee on the Judiciary

HR 3573, 11/21/03 - <http://thomas.loc.gov/cgi-bin/query/D?c108:2:/temp/~c108rNkMin>, 12/10/2003 Referred to House Subcommittee on Immigration, Border Security, and Claims.

"Assessing the Six Party Talks: CSCAP North Pacific Working Group" by Yoshinobu Yamamoto and Robert Bedeski, Council of Security Cooperation in the Asia-Pacific, December 3, 2003. Results of a Beijing conference in August. CSCAP has positioned itself to be a track two organization, <http://www.cscap.org/>
Text: <http://www.nautilus.org/DPRKBriefingBook/multilateralTalks/issue.html>

“FOCUS: Espionage and the Koreans,” CANADA-DPR KOREA E-CLIPPING SERVICE, CanKor # 144, Friday, 28 November 2003. “explores manifestations of fear and suspicion among North Korea's opponents, as well as the struggle for recognition and compensation by former South Korean secret agents sent North for the purpose of espionage and assassination.” <http://www.cankor.ca>

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SECURITY

“Transcript: Bolton: Weapons of Mass Destruction Trafficking a Global Problem (Under secretary of state says a global response is needed),” US State Dept 12/4/03. Article on the new Proliferation Security Initiative is reprinted with permission from the December 2003 issue of *Arms Control Today*.

<http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0312a&L=WF-EASIA&P=R12094>

“No Alarm for Nato: An EU Defence Policy Need Not Undermine the Alliance,” Editorial, FT12/2/03, p14.

“The real key to success or failure of an EU defense policy is the willingness of the member states to spend enough money on the right sort of military capacity ... If an EU defense policy can galvanise action, and not just institution-building, instead of expressing alarm the US should be positively encouraging such moves.”

SCIENCE & TECHNOLOGY

“Human Networks in Nanotechnology,” ATIP03.060, 12/03. “Human networks have been created by all countries engaged in any significant way in nanotechnology research and development. Most concentrate on national concerns, but several have strong international components. Networks are involved in sharing information and, in some cases, research equipment and expertise. In the present report, human network activities in nanotechnology in the US, Japan, China, Korea, Taiwan, the EU, and Australia are summarized and the possible creation of a Global Nanotechnology Network is discussed and assessed. For a summary including a table of contents:

<http://www.atip.org/public/atip.reports.03/atip03.060.pdf>

To securely purchase the full version of this report for \$250:

http://www.atip.org/REPORTSMATRIX/public/year2003_total.html

“Japan's National Research Grid Initiative (NAREGI),” ATIP03.061, 12/03. “A new project emphasizing grids for compute intensive applications is summarized in the present report. This project is one of two new large existing grid projects in Japan, Business Grid being the other. For a summary including a table of contents:

<http://www.atip.org/public/atip.reports.03/atip03.061.pdf>

To securely purchase the full version of this report for \$250:

http://www.atip.org/REPORTSMATRIX/public/year2003_total.html

SOUTH ASIA

“Pakistan, India Agree on Kashmir Cease-Fire; Accord is Latest Step by Nuclear Powers to Improve Relations,” WP11/26/03, A16. “Along the Line of Control, which separates [Indian and Pakistani] forces in Kashmir, as well as on the Siachen Glacier in the Himalayas...”

“India and Pakistan to Discuss Restoring Rail Link in Further Sign of Rapprochement,” FT12/3/03, p6. “The Samjhauta Express, which used to run between New Delhi and Lahore, would be revived in addition to the four-times-a-week ‘Friendship’ bus between the same cities, which was restored in July.”

“India-Pakistan Thaw; A Test of Real Leadership Awaits Musharraf and Vajpayee,” Editorial, FT12/4/03, p14. “Gen. Musharraf, in less populous and resource-rich Pakistan, is beginning to feel the conflict’s incalculable price in arrested development, especially as the regional arms race accelerates ruinously. Mr. Vajpayee, in the twilight of his career, may be looking for his place in history – which will see the conflict with Pakistan as an obstacle to India’s full emergence as a regional power, bound into a strategic alliance with the US. The two leaders now have an opportunity – and maybe an incentive – to lead.”

“India Poised ‘On the Edge of Explosive Growth’,” FT12/4/03, p1. “It is not just metropolitan India [that is booming],’ said [Indian Finance Minister Jaswant] Singh [in an interview with *Financial Times*]. ‘We are selling cars in the UK. We have a trade surplus with China. It is the huge mass of India that is stirring and on the move.’”

Ministry of Finance, India: <http://finmin.nic.in/>

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SOUTHEAST ASIA

“Complications Follow the Painful Birth of East Timor: Despite Growing Stability, the World’s Newest Country Is Still Facing Long-Term Challenges,” FT12/4/03, p7. “Since the UN began building a country from the ground up, significant [economic and social] problems have emerged. And when you consider the UN has been working with a welcoming population after only a short conflict, the country offers a daunting perspective on the task the international community faces in a place such as Iraq.”

International Republican Institute, East Timor Poll: <http://www.iri.org/11-19-03-iripr.asp>

World Bank in Timor-Leste:

<http://lnweb18.worldbank.org/eap/eap.nsf/beeea2c8b5bc212785256812004eb9c7/7f8cb82e7efcbf4585256903006bd07d?OpenDocument>

STEEL

“Lessons of Steel,” Editorial, WSJ12/2/03, A18. “Certainly none of the Democratic Presidential candidates is giving Mr. Bush any credit for helping the steel industry ... The lesson of the steel tariffs is that protectionism always backfires, so from now on Mr. Bush might as well stick with and defend his free-trade principles.”

“Political Steel,” Editorial, WP12/2/03, A26. “The [Bush] administration could have worked to make it more difficult for WTO members to impose temporary ‘safeguard’ tariffs ... Alternatively, they could have offered some trade compensation to the countries that were worst hit by the [steel] tariffs. By pursuing neither of these options, they have left U.S. exporters more vulnerable to the political and electoral whims of other countries.”

World Trade Organization: <http://www.wto.org/>

“Removing Tariffs ‘Will Not Damage US’,” FT12/2/03, p6. “Wilbur Ross, chief executive of International Steel Group, said in an interview that the falling dollar, rising transportation costs and low US prices for unfinished steel had made the US market uneconomical for many foreign producers ... ‘The question now is whether steel is going to be in short supply. For the moment, dumping isn’t the biggest problem we face.’”

International Steel Group: <http://www.intlsteel.com/>

“Steelmaker Warns West of Exports from China,” FT12/1/03, p17. “In a speech to a conference in Paris, Mr. [Lakshmi] Mittal [owner of LNM Group, world’s second largest steel company] will point out that China is expanding its own steelmaking capacity and is importing an increasing amount of the industry’s raw materials, such as iron ore. He warns that the country will become a ‘significant exporter’ of steel, particularly if its economic growth does not live up to expectations.”

LNM Group: <http://www.inland.com/>

TAIWAN

“US Official ‘Urging Referendum Caution on Taiwan’,” FT12/3/03, p6. “Sources close to the administration said the White House had decided to send James Moriarty, director for Asian affairs at the National Security Council, [to Taiwan] ahead of next week’s visit to Washington by Wen Jiabao, the Chinese premier.”

“Taiwan Mission Shows Up Differences in US Administration,” FT12/6-7/03, p2. “In Taipei, [Bush administration envoy James] Moriarty delivered a letter from President Bush to President Chen Shui-bian urging him not to provoke China and stating that the US ‘opposed’ any referendum that could lead to a declaration of independence and an end to the ‘one-China’ policy. In Beijing, the emissary is thought to have urged the Communist party leadership to act with restraint.”

“Taiwan to Hold March Referendum,” FT12/1/03, p2. “Aimed at safeguarding the nation’s sovereignty ... but [will] not include a vote on formal independence ... Mr. Chen said the law gave him ‘the right and the duty’ to hold a plebiscite when Taiwan’s sovereignty was under threat and ‘and external threat to Taiwan’s sovereignty is what is happening right now.’”

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“China’s Military Warns Taiwan,” WP12/4/03, A25. “The Taiwan authorities say that because of the Olympics, we won’t make a move,’ Maj. Gen. Peng Guangqian wrote in Outlook Weekly ... ‘But if you compare the Olympics and the sovereignty of our country’s territory, sovereign territory will always take precedence ... The price for reunification will be paid if necessary. We’re prepared, and we can pay it.’”

Outlook Weekly of the New China News Agency: <http://www.xinhuanet.com/english/>

“Beijing Warns That Taiwan Referendum Could Lead to War,” NYT12/3/03. “‘Chen has reached the mainland's bottom line on the Taiwan question,'” said Luo Yuan, a senior colonel with the Chinese Academy of Military Sciences, referring to Taiwan's president, Chen Shui-Bian. “If they refuse to come to their senses and continue to use referenda as an excuse to seek Taiwan independence, they will push Taiwan compatriots into the abyss of war.” <http://www.taiwansecurity.org/NYT/2003/NYT-031203.htm>

“Unneeded Quarrel Over Taiwan,” Editorial, NYT12/6/03. “The autonomy Taiwan enjoys would not have been possible and would not survive without America's implicit protection. In return, Washington is entitled to demand rhetorical restraint on these symbolic but ultimately inconsequential issues. Prime Minister Wen must understand the other part of longstanding American policy: Washington will not accept any use of force by Beijing to resolve the Taiwan issue.” <http://www.taiwansecurity.org/NYT/2003/NYT-061203-1.htm>

“The real significance of Taiwan's referendum law,” by Laurence Eyton, AsiaTimes 12/2/03. “Taiwan's passage of a referendum law last Thursday is a landmark in the island's democratization equal to the 1994 decision to hold direct presidential elections. It also has the power to completely change the Taiwan-China relationship, though whether for better or worse remains to be seen. ... the referendum law is not about independence - it is almost inconceivable that Taiwanese would vote for de jure independence - but nevertheless has just made reunification far, far harder, by forcing China onto the unfamiliar ground of winning hearts and minds, rather than brute coercion. That it is Beijing's reunificationist allies who are responsible for putting the policy in place that has so altered the nature of the “Taiwan problem”, is, as far as Taiwan is concerned, all to the good, though little appreciated at present. And so the final irony of the referendum legislation, so castigated by Beijing as Taiwan independence-driven, is that once Beijing sees it now has to try a different approach - and admittedly this might take three or four years - the cold war in the Taiwan Strait might actually start to thaw.”

<http://www.atimes.com/atimes/China/EL02Ad01.html>

US ECONOMY

“U.S. Manufacturing Activity Surges; Sector’s Jobs Rise Sharply; Even Optimistic Forecasts Are Topped by the Results,” WSJ12/2/03, A2. “November index of manufacturing activity came in at 62.8, up from 57 for October. Employment index climbed to 51 from 47.7 [marking] the first time since September 2000 the gauge exceeded 50.”

Institute for Supply Management Press Release: <http://www.ism.ws/ISMReport/ROB122003.cfm>

“Sharp Rise in Productivity Fails to Halt Dollar’s Slide: Market’s Gloomy Take on Currency Highlights Concerns About Imbalances in the Economy,” FT12/4/03, p1. “US productivity grew at its fastest rate for 20 years in the third quarter ... [with a] 9.4 per cent increase.”

U.S. Bureau of Labor Statistics, Productivity and Costs Report, Third Quarter 2003 (Revised):

http://www.bls.gov/news.release/archives/prod2_12032003.pdf

5) WEBSITE OF THE WEEK

NO to Political Islam (NTPI)

Supplied note: "This organization and their website are a new endeavor that attempts to advocate the practice of religion as a private (as opposed to state instituted) matter. It constitutes a critique that includes comment on religion and human rights, sharia, etc.

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6) KEY & QUICK NEWS LINKS

*****Many are by subscription*****

*Asahi Shimbun (AS): <http://www.asahi.com>

*BBC Online: <http://news.bbc.co.uk>

*Economist (EC): <http://www.economist.com>

*Far Eastern Economic Review (FEER): <http://www.feer.com>

*Financial Times (FT): <http://www.FT.com>

*Inside U.S. Trade (IUST): <http://www.insidetrade.com>

*Japan Digest (JD): <http://www.japandigest.com>

*New York Times (NYT): <http://www.nytimes.com>

*Nikkei (NK): <http://www.nni.nikkei.co.jp>

*Oriental Economist (OE): <http://www.orientaleconomist.com>

*Wall Street Journal (WSJ): <http://www.wsj.com>

*Washington Post (WP): <http://www.washingtonpost.com>

*Yomiuri On-line (YM): <http://www.yomiuri.co.jp/index-e.htm>